

EXHIBIT 1



Date: 26 June 2009
To: Detroit Police and Fire Retirement System Service Corporation ("Counterparty")
Attn: Norman L. White, President
Fax No: 313-224-4466
From: UBS AG, Stamford Branch ("UBS AG")
Subject: Swap Transaction
UBS AG Ref: 37380351
Counterparty Ref: PFRS - Syncora

Dear Mr. White

The purpose of this communication is to confirm the terms and conditions of the Transaction entered into between us on the Trade Date specified below. This Revised Confirmation constitutes a "Confirmation" as referred to in the Master Agreement or Agreement specified below. This Revised Confirmation shall replace and supersede all previous Confirmations relating to the Transaction documented herein.

UBS AG and the Counterparty have entered into a Master Agreement, dated as of 25 May 2005, which sets forth the general terms and conditions, as well as amendments, applicable to this Transaction (together with any future Schedule and any other future Confirmation, the "Agreement"). This Revised Confirmation supplements, forms part of and is subject to the Agreement. All provisions contained in, or incorporated by reference to, such Agreement shall govern this Revised Confirmation except as expressly modified below. In the event of any inconsistency between the provisions of the Agreement and this Revised Confirmation, this Revised Confirmation will prevail for purposes of this Transaction.

The definitions contained in the 2000 ISDA Definitions (the "2000 Definitions"), (the "Definitions"), as published by the International Swaps and Derivatives Association, Inc., are incorporated into this Revised Confirmation. In the event of any inconsistency between the definitions listed above and this Revised Confirmation, this Revised Confirmation will govern.

The terms of the particular Swap Transaction to which this Revised Confirmation relates are as follows:

General Terms

Insurer:	Syncora Guarantee Inc. (formerly known as XL Capital Assurance Inc.)
Trade Date:	07 June 2006
Effective Date:	12 June 2006
Termination Date:	15 June 2029
Notional Amount:	Initially USD 104,325,500 thereafter amortizing per the Amortization Schedule below
Calculation Agent:	UBS AG
Business Days:	New York and London

Fixed Amounts

Fixed Rate Payer:	Counterparty		
Fixed Rate:	In accordance with the following schedule.		
	From (and including)	To (but excluding)	Fixed Rate
Effective Date	15 June 2007	15 June 2008	4.991
15 June 2007	15 June 2008	1 July 2010	5.666
15 June 2008	1 July 2010	Termination Date	6.223
1 July 2010			6.323
Fixed Rate Day Count Fraction.	30/360		
Fixed Rate Payer Payment Dates.	Quarterly, on each 14 March, 14 June, 14 September and 14 December, from and including 14 September 2006 up to and including the 14 June 2029, subject to adjustment in accordance with the Preceding Business Day Convention.		
Period End Dates:	Each 15 March, 15 June, 15 September and 15 December, from and including 15 September 2006 up to and including the Termination Date, subject to adjustment in accordance with the Modified Following Business Day Convention, with No Adjustment.		

Floating Amounts

Floating Rate Payer:	UBS AG
Floating Rate Option:	USD-LIBOR-BBA
Designated Maturity:	Three months, except that in respect to the initial Calculation Period, Linear Interpolation shall apply.
Spread:	Plus 30 Basis Points
Floating Rate Day Count Fraction:	Actual/360
Floating Rate Payer Payment Dates:	Each 14 March, 14 June, 14 September and 14 December, from and including 14 September 2006 up to and including the 14 June 2029, subject to adjustment in accordance with the Preceding Business Day Convention.
Period End Dates:	Each 15 March, 15 June, 15 September and 15 December, from and including 15 September 2006 up to and including the Termination Date, subject to adjustment in accordance with the Modified Following Business Day Convention.
Reset Dates.	Initially, the Effective Date and thereafter on each 15 March, 15 June, 15 September and 15 December, from and including 15 September 2006 up to but excluding the Termination Date, subject to adjustment in

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accordance with the Modified Following Business Day Convention

Compounding Inapplicable

Amortization Schedule

<u>Period From</u> (and including)	<u>Period To</u> (but excluding)	<u>Notional Amount (USD)</u>
Effective Date	15-Jun-2019	104,325,500
15-Jun-2019	15-Jun-2020	97,011,000
15-Jun-2020	15-Jun-2021	90,109,000
15-Jun-2021	15-Jun-2022	83,685,500
15-Jun-2022	15-Jun-2023	77,801,500
15-Jun-2023	15-Jun-2024	72,532,500
15-Jun-2024	15-Jun-2025	67,957,500
15-Jun-2025	15-Jun-2026	64,161,500
15-Jun-2026	15-Jun-2027	44,825,500
15-Jun-2027	15-Jun-2028	24,286,500
15-Jun-2028	Termination Date	2,469,500

Optional Termination by Counterparty

With the prior consent of the Insurer, Counterparty shall have the right to terminate this Transaction (provided that no Event of Default or Termination Event has occurred) by providing (i) at least five (5) Business Days' prior written notice to UBS AG of its election to terminate this Transaction and (ii) evidence reasonably satisfactory to UBS AG that any and all amounts owed to UBS AG in connection with such early termination shall be paid on the due date thereof. On the Optional Termination Date set forth in such notice, an amount, determined by UBS AG, shall be payable by UBS AG or the Counterparty, as the case may be, in respect of such termination. If such amount is not acceptable to Counterparty, then UBS AG shall determine such amount in accordance with Section 6 of the Agreement, assuming Market Quotation and Second Method apply and Counterparty is the sole Affected Party.

Adjustment Event

If on the Effective Date or any date thereafter (an "Adjustment Event Date") the Notional Amount of this Transaction is greater than the Related Principal Amount, an Adjustment Event shall occur and the Notional Amount shall be reduced to the extent necessary to make such Notional Amount as of the Adjustment Event Date equal to the Related Principal Amount. As used herein

- (a) the term "Related Principal Amount" means UBS AG's Swap Percentage of Counterparty's Allocable Share of the aggregate principal amount of the outstanding Syncora-Insured Floating Rate Certificates,
- (b) the term "UBS AG's Swap Percentage" means at any time 50 percent,
- (c) the term "Counterparty's Allocable Share" means (1) the total Scheduled Payments (as such term is defined in the PFRS Service Contract 2006 between the Detroit Police and Fire Retirement System Service Corporation and the City of Detroit) to be made by Counterparty in respect of Syncora-Insured Floating Rate Certificates divided by (2) the total Scheduled Payments to be made by Counterparty and Detroit General Retirement System Service Corporation in respect of Syncora-Insured Floating Rate Certificates, in each case after giving effect to any prepayments of Scheduled Payments in connection with the circumstances of the Adjustment Event, and

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- (d) the term "Syncora-Insured Floating Rate Certificates" means any Detroit Retirement System Funding Trust 2006 Taxable Certificates of Participation Series 2006-B (the "Related Certificates") that bear interest at a floating rate and the scheduled principal of and interest on which are insured under a financial guaranty insurance policy issued by Syncora Guarantee Inc (formerly known as XL Capital Assurance Inc.)
- (e) Upon an adjustment to the Notional Amount, a payment (an "Adjustment Payment") will be due and owing by one party to the other equal to the Market Quotation for this Transaction determined by UBS AG as if (i) a Termination Event occurred in respect of Counterparty, (ii) Counterparty was the only Affected Party with respect to such Termination Event, UBS AG was the party entitled to calculate the Market Quotation, and the Transaction is the Affected Transaction, (iii) the relevant Adjustment Event Date was designated as the Early Termination Date, (iv) the Notional Amount of the Transaction was an amount equal to the difference between (X) the Notional Amount and (Y) the outstanding principal amount of the Related Certificates on the Adjustment Event Date, and (v) the requirement set forth in the definition of Market Quotation that quotations be obtained from four Reference Market-makers was met by having UBS AG provide a single quotation, provided, however, if Counterparty disputes such quotation, UBS AG shall seek bids from Reference Market-makers consistent with the provisions of Section 6 of the Agreement. If an Adjustment Payment is a positive number, Counterparty will pay an amount equal to such Adjustment Payment to UBS AG; if an Adjustment Payment is a negative number UBS AG will pay an amount equal to the absolute value of such Adjustment Payment to Counterparty. An Adjustment Payment shall be paid by the relevant party on the date on which the Adjustment Event occurs.
- (f) Notwithstanding anything to the contrary in this Agreement, Counterparty will not optionally cause an Adjustment Event if, in connection with such Adjustment Event, an Adjustment Payment would be payable by Counterparty to UBS AG unless Counterparty provides evidence reasonably satisfactory to UBS AG and the Swap Insurer that (i) such Adjustment Payment will be made by Counterparty on the Adjustment Event Date and (ii) such Adjustment Payment will not cause Counterparty to be in violation of, or in default under the documentation relating to the Related Certificates

Swap Advisor Fee

Swap Advisor:

Scott Balance Strategies LLC

Swap Advisor Fee:

On behalf of the Counterparty, a fee of USD 78,389.35 is being paid by UBS AG in respect of this Transaction to the Swap Adviser. Such fee is equal to the present value of 0.65 basis points per annum on the Notional Amount of this Transaction taking into account the amortization schedule set forth herein, to the Termination Date, discounted to the Trade Date using the LIBOR swap curve. This fee is reflected in, and has increased, the Fixed Rate payable by the Counterparty hereunder

Swap Advisor Fee Payment Date

Upon closing of the Related Certificates

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Relationship between Parties

Each party will be deemed to represent to the other party on the date on which it enters into this Transaction that (in the absence of a written Agreement between the parties which expressly imposes affirmative obligations to the contrary for this Transaction).

(a) Non-Reliance. Each party is acting for its own account, and has made its own independent decisions to enter into this Transaction and this Transaction is appropriate or proper for it based upon its own judgment and upon advice from such advisers as it has deemed necessary. Each party is not relying on any communication (written or oral) of the other party as investment advice or as a recommendation to enter into this Transaction; it being understood that information and explanation relating to the terms and conditions of this Transaction shall not be considered investment advice or a recommendation to enter into this Transaction. No communication (written or oral) received from the other party shall be deemed to be an assurance or guarantee as to the expected results of this Transaction.

(b) Assessment and Understanding. Each party is capable of assessing the merits of and understands (on its own behalf or through independent professional advice), and accepts, the terms, conditions and risks of this Transaction. Each party is also capable of assuming and assumes, the risks of this Transaction.

(c) Status of the Parties. Neither party is acting as a fiduciary for or as an adviser to the other in respect of this Transaction.

References in this clause to "a party" shall, in the case of UBS AG and where the context so allows, include references to any affiliate of UBS AG.

Risk Considerations

The Counterparty acknowledges receipt from UBS, at or prior to the time of Counterparty's final approval of the Transaction evidenced by this Revised Confirmation, of a document entitled "Risk Considerations".

Custodian

At least two (2) Local Business Days prior to each Payment Date for the Transaction to which this Confirmation relates, Party A, as Calculation Agent, shall notify the Collateral Agreement Custodian of the net amount payable and the Party owing such payment as of the immediately following Payment Date.

Account Details

UBS Account Details

Account for payments in USD:

Bank:	UBS AG, Stamford
ABA/Bank No.:	026-007-993
Account No.:	101-WA-860050-025

Counterparty Account Details

Bank:	U.S. Bank, Minneapolis
FBO:	For further credit to U.S. Bank, N.A.
ABA/Bank No :	091000022
Account No :	180121167355
Ref:	Detroit COPS PFRS

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Trust #: 789710000
Contact: Jill Ling 651-495-3712

Offices

The office of UBS AG for the Swap Transaction is Stamford, CT; and the office of the Counterparty for the Swap Transaction is Detroit, MI.

Contact Names at UBS AG

Settlements:	Hotline:	(203) 719 1110
Confirmation Queries:	Jennifer McCandless	(212) 713 1212
ISDA Documentation:	Legal Department – Documentation:	(203) 719 6249
Swift:	UBSWUS33	
Fax:	(203) 719-5771	
Address:	UBS AG 677 Washington Boulevard Stamford, CT 06901	

[Intentionally left blank. Signature page follows.]

Please confirm that the foregoing correctly sets forth the terms and conditions of our agreement by executing a copy of this Revised Confirmation and returning it to us by facsimile to (212) 373-6491.

Yours Faithfully
For and on Behalf of
UBS AG, Stamford Branch

By *Marie-Anne Clarke*

By



James B. Fuqua
Managing Director and Counsel
Region Americas Legal

Name : **Marie-Anne Clarke**
Title: **Executive Director and Counsel**
Region Americas Legal
Fixed Income Section

Name:
Title :

Acknowledged and agreed by the Detroit Police and Fire Retirement System Service Corporation as of the Trade Date specified above:

By:

Name **Norman L. White**
Title : **President**

Please confirm that the foregoing correctly sets forth the terms and conditions of our agreement by executing a copy of this Revised Confirmation and returning it to us by facsimile to (212) 373-6491.

Yours Faithfully
For and on Behalf of
UBS AG, Stamford Branch

By

By

Name :
Title:

Name:
Title :

Acknowledged and agreed by the Detroit Police and Fire Retirement System Service Corporation as of the Trade Date specified above:

By:



Name Norman L. White
Title : President

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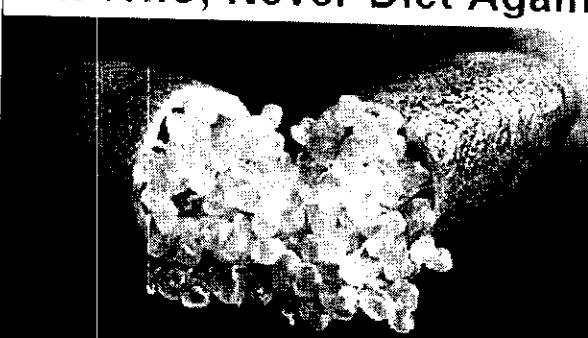
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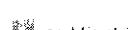
Loan Type 5/1 Year ARM

**2.68% APR****GO****2.91% APR****GO****2.91% APR****GO**[disclaimer](#)

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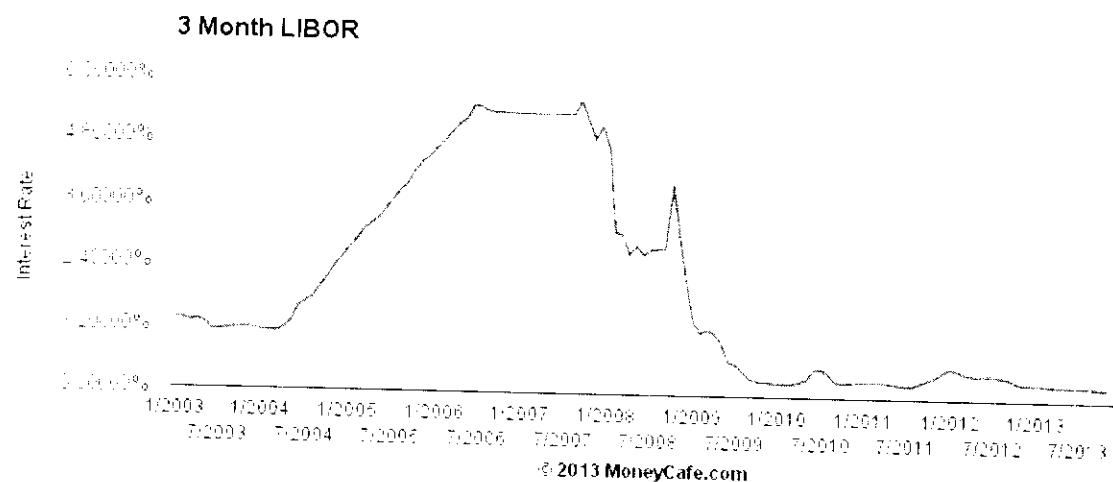
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LIBOR stands for "London Inter-Bank Offered Rate." It is based on rates that contributor banks in London offer each other for inter-bank deposits. From a bank's perspective, deposits are simply funds that are loaned to them. So in effect, a LIBOR is a rate at which a fellow London bank can borrow money from other banks. Rate calculations are complex as they incorporate variables such as time, maturity and currency rates. There are hundreds of LIBOR rates reported each month in numerous currencies. We report the Three Month LIBOR on

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or after the first of the month. This is the LIBOR for a three month deposit in U.S. Dollars on the last business day of the previous month.

Note: Rates published prior to July 2007 reflect the Fannie Mae LIBOR rate which used a different calculation. Fannie Mae discontinued its use and publication of LIBOR rates at the end of June 2007 and suggested a replacement rate using our current methodology, which is similar to the Wall Street Journal LIBOR (WSJ LIBOR).



3 Month LIBOR

Month	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Jan	1.34800%	1.13200%	2.74300%	4.67850%	5.36010%	4.70250%	1.42500%	0.25063%	0.30281%	0.58103%	0.30600%
Feb	1.33600%	1.12010%	2.91010%	4.81920%	5.35980%	3.1118%	1.1843%	0.24906%	0.30438%	0.54235%	0.29800%
Mar	1.28800%	1.11070%	3.09950%	4.98980%	5.34730%	3.05750%	1.26436%	0.25169%	0.30950%	0.48425%	0.28710%
Apr	1.30800%	1.17640%	3.21070%	5.14730%	5.35550%	2.68813%	1.13188%	0.29150%	0.30300%	0.46815%	0.28250%
May	1.27820%	1.30620%	3.32920%	5.23350%	5.35950%	2.85000%	1.01635%	0.34656%	0.27300%	0.46535%	0.27310%
Jun	1.11640%	1.60390%	3.50450%	5.50850%	5.35930%	2.68063%	0.65625%	0.53625%	0.25268%	0.46635%	0.27525%
Jul	1.11760%	1.69450%	3.69480%	5.48890%	5.36000%	2.78313%	0.59500%	0.53394%	0.24575%	0.46060%	0.27310%
Aug	1.14200%	1.79010%	3.87200%	5.40140%	5.35866%	2.79125%	0.47938%	0.46375%	0.25550%	0.44260%	0.26560%
Sep	1.15980%	2.00540%	4.00550%	5.37250%	5.62125%	2.81063%	0.34750%	0.29563%	0.32722%	0.41825%	0.25850%
Oct	1.16570%	2.15820%	4.25230%	5.37290%	5.22875%	4.05250%	0.28688%	0.29000%	0.37433%	0.35850%	0.24885%
Nov	1.17010%	2.40260%	4.41390%	5.30850%	4.89375%	3.02825%	0.28063%	0.28594%	0.42944%	0.31275%	0.24200%
Dec	1.15700%	2.55820%	4.52980%	5.36010%	5.13125%	2.21688%	0.25666%	0.30031%	0.52889%	0.31051%	

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Source: Fannie Mae, British Bankers' Association

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